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Approved for Release: 2018/09/17 C05258658

8 December 1982

NR

MEMORANDUM FOR: Chairman, NIC
Vice Chairman, NIC

SUBJECT : Potential Flashpoints in [redacted] Argentina

1. This is to call your attention to two "sleepers" that could produce flashpoints in the next few weeks.

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Argentina

7. The general strike in all major cities on 6 December called by three labor federations marks a potentially explosive turning point in Argentina's post-Falklands politics. It has shattered an unnatural calm that settled over the nation after the Falklands humiliation. On 14 June, the day before Argentine forces surrendered, Raul Alfonsin, leader of the moderate Radical Civic Union, called for the resignation of the junta on the ground that the military had lost its right to govern. The Army managed to contain public outrage by appointing retired Major General Reynaldo Bignone to replace President Galtieri on 22 June and by pledging that the Army would lead a "short-term transition government" aimed at restoring civilian political rule "by the early months of 1984."

8. The general strike and a series of major protests scheduled for later this month signal that the Argentine public has lost confidence in the Army's pledges and is determined to speed its withdrawal from power. Labor and political leaders have been forced by an increasingly restless public to call protest demonstrations in order to protect their credibility. The ominous change in the public mood has been manifested in recent disturbances in Buenos Aires suburbs and at events like soccer matches. Opposition leaders are concerned that they are losing control over growing anti-military sentiment. In a radio broadcast on 6 December, labor leader Saul Ulbaldini said, "We are not doing anything more than communicating the disquiet" of the rank and file to the government.

9. The general strike and the coming mass protests will confront the military government with a choice between accommodating public demands by accelerating the restoration of civilian rule or attempting to intimidate political and labor leaders by resorting to suppressive measures. In this highly volatile atmosphere, a misstep by the government could trigger serious outbreaks of violence. The crucial decisions will be made by Army Commander Nicolaides. If further strikes and demonstrations seem to be getting out of control, Nicolaides may decide to remove President Bignone and assume what amounts to dictatorial powers.

10. There probably is at least an even chance that a move by Nicolaides to assume direct power himself would be interpreted by the opposition as a decision to suppress rapidly growing demands for immediate changes, and that this would precipitate a serious challenge to the regime that could be defeated only by a massive use of force.

H. C. Cochran

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Special Assistant for Warning

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Argentina

--The general strike in all major cities against the military government on 6 December may lead to a showdown between labor and political leaders and the Army high command. Opposition leaders have called for a series of major protests this month aimed at accelerating the armed forces' withdrawal from power, now scheduled for March 1984.

--Labor and political leaders apparently calculate that mass demonstrations calling for an early return to civilian rule and economic reforms will forestall coup attempts by Army hard-liners.

--Escalating protest demonstrations will increase the chances that Army Commander Nicolaides will remove the figure-head President Bignone and assume power himself. Nicolaides may justify such a move on the ground that political and labor leaders last month rejected negotiations with the military over a "covenant" governing a return to civilian rule.

--The Army high command may believe that harsh suppressive measures are necessary to forestall public demands for an investigation of "disappeared" people during the military's crackdown in the mid-1970s.

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